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SUMMARY RECORD OF THE 13th MEETING

Chairman: Mr. TEIRLINCK (Belgium)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 10.25 a.m.

AGENDA ITEM 17: APPOINTMENTS TO FILL VACANCIES IN SUBSIDIARY ORGANS AND OTHER APPOINTMENTS (continued)

(a) APPOINTMENT OF MEMBERS OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS (continued) (A/49/101/Add.2)

1. The CHAIRMAN drew attention to the note by the Secretary-General (A/49/101/Add.2) informing the General Assembly that he had received notification of the resignation of Mr. Even Fontaine-Ortiz (Cuba) from the membership of the Advisory Committee on Administrative and Budgetary Questions. Accordingly, the General Assembly was required at its current session to appoint a person to fill the unexpired portion of the term of office of Mr. Fontaine-Ortiz. The Government of Cuba had nominated Mrs. Norma Goicochea Estenoz to fill the vacancy, and her candidacy was supported by the Group of Latin American and Caribbean States. If he heard no objection, he would take it that the Committee wished to recommend the appointment of Mrs. Goicochea Estenoz to fill the vacancy on the Advisory Committee for a term of office beginning on the date on which the General Assembly approved the appointment and expiring on 31 December 1996.

2. It was so decided.

AGENDA ITEM 105: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (continued) (A/49/16 (Part II), A/49/34, A/49/98, A/49/336, A/49/418, A/49/471 and A/49/560; A/C.5/49/1)

3. Mrs. GOICOCHEA (Cuba) said that, in keeping with the expectations created by the commemoration of the fortieth anniversary of the Organization, the General Assembly had decided to implement a set of measures aimed at enhancing the efficiency of the administrative and financial functioning of the United Nations. Those measures had included a new budgetary process aimed primarily at increasing the confidence of Member States in the Organization and at improving the latter's financial situation and efficiency. Currently on the eve of its fiftieth anniversary, the United Nations had before it a new set of innovative proposals aimed at reforming the basic concepts underlying the scale of assessments. At the same time, it was considering complementary measures to enhance the efficiency of the administrative and financial functioning of the United Nations. Moreover, the causes which had led to the inclusion of that item in the agenda of the General Assembly since 1985 remained almost unchanged. It was therefore time to attack the root of the problem in order to send a message of confidence and optimism to all Members of the Organization.

4. It was also important to discuss all the factors related to the enhancement of the Organization's efficiency. For example, there was an urgent need to improve the management culture of the United Nations and her delegation welcomed the measures which had been proposed with a view to ensuring the efficient

implementation of United Nations programmes by programme managers and their staff. She hoped that the new system would strengthen the cooperation and dialogue between two of the pillars of the Organization, namely, Member States and the Secretariat. The level of acceptance and support for the proposed measures would depend on the timeliness and openness of that dialogue. Her delegation attached particular importance to the review of the legislative instruments relating to the decisions of Member States which should be considered not as an end in itself but as the logical result of the analysis of the various matters considered by the General Assembly. At the same time, the Secretariat should thoroughly review the subsidiary legislative instruments within its field of competence, such as rules and administrative issuances, with a view to simplifying them.

5. Her delegation fully agreed with the Secretariat on the need to ensure that the new system was extended to offices away from Headquarters, regional commissions, peace-keeping operations and other activities in the field. It would be for the specialized agencies, however, to decide on appropriate measures for improving the management culture in their respective areas of work.

6. Attention had been drawn to the close link between the establishment of the new system and other aspects related to the enhancement of the Organization's efficiency. Any decision on the system should therefore be without prejudice to the outcome of other negotiations, in particular those on the adoption of a new format for the medium-term plan and its links to the programme budget.

7. While recognizing the effort which the Secretariat had made to present Member States with a compilation of the action it had taken, her delegation regretted that the Secretary-General's report in document A/49/336 lacked the analytical approach requested in General Assembly resolutions 47/212 A and B and 48/228, which would have made Member States aware of how the restructuring process had affected the implementation of the various programmes.

8. Her delegation was shocked that, in restructuring some of its offices, the Secretariat had taken policy decisions without even the benefit of an intergovernmental debate on such actions. She was referring in particular to the transfer of the Electoral Assistance Unit to the Department of Peace-keeping Operations and the Secretary-General's decision to seek assistance from the Administrator of the United Nations Development Programme in the area of coordination. The General Assembly should suspend implementation of those two measures pending consideration of the matter by the relevant Main Committees.

9. Her delegation concurred fully in the recommendations made by the Board of Auditors concerning the improvement of its external oversight functions. She hoped that the resolution to be adopted on that item would also include appropriate provisions for allocating to the Board new and additional resources to permit it to exercise its functions.

10. Finally, her delegation awaited with interest the proposals of the Committee for Programme and Coordination (CPC) and of the Advisory Committee aimed at improving the effectiveness of their oversight and coordination

mechanisms, as requested in General Assembly decision 47/454 and subsequently reaffirmed in General Assembly resolution 48/218. The suggestions of CPC should also include recommendations for enhancing the effectiveness of joint meetings between that body and the Administrative Committee on Coordination.

11. Mr. DEINEKO (Russian Federation) said that the rapid changes in the contemporary world made it necessary constantly to adapt the United Nations system to the new conditions and the current restructuring exercise was aimed at enhancing the Organization's capacity to meet that challenge. The financial and administrative aspects of restructuring were of vital importance in assessing the real potential of the United Nations to fulfil its task.

12. In that connection, the establishment of an effective system of accountability and responsibility was a long-awaited and essential step. He welcomed the serious and creative approach which the Secretariat had adopted in implementing the new system. That approach contained an important psychological element, namely, the desire to unleash the initiative of United Nations staff and to establish an atmosphere of creativity and innovation aimed at increasing their motivation. However, the process of establishing an effective system of accountability and responsibility was complex and difficult and required the maintenance of an open dialogue between the Secretariat and Member States. The Russian Federation was ready to provide necessary support to the Secretariat in its effort to introduce such a system. The measures which the Secretariat proposed to undertake in the first stages included a detailed review of the rules and regulations governing the delegation of authority in such areas as personnel administration, finance and procurement. While those measures were quite warranted and reasonable, of equal importance was the promotion of a new management culture that would encourage more efficient performance and higher productivity within the United Nations system.

13. His delegation intended to follow closely the results of the testing of the new performance appraisal system, which was intended to increase the responsibility of all staff for their work. It was well aware, however, that reform in that area could encounter internal resistance on the part of some staff who wished to preserve the existing practice of amorphous responsibility based on seniority and not on performance. In the view of his delegation, the current performance appraisal system was not only senseless but also extremely harmful, since it resulted in indifference and stifled initiative and creativity. The new performance appraisal system was designed to eliminate those glaring defects and his delegation hoped that the ongoing efforts of the senior staff of the Secretariat in that area would not meet the fate of previous attempts to establish a reliable performance appraisal system.

14. For its part, the new procurement policy of the Secretariat was broadly consonant with the demands by Member States for transparency and fairness in that area, especially with regard to peace-keeping operations. It was now time to translate that policy into action.

15. A significant result of the restructuring in the administrative and budgetary fields was the consolidation of all units responsible for internal

audit, oversight and evaluation, and inspection and investigation into the Office of Internal Oversight Services in order to make more effective use of available resources. Moreover, such a consolidation of functions would permit the emergence of a more independent and autonomous structure, which was very important for the effective functioning of the United Nations under current conditions. A major priority of the Office of Internal Oversight Services at the current stage should be to fight vigorously against the breaches of financial discipline, fraud, waste and abuse which occurred in the United Nations. In view of the extremely high level of expenditure involved, procurement for peace-keeping operations constituted a major area of potential fraud or other abuse against the United Nations, both outside and within the Organization. His delegation broadly supported the recommendations of the Ad Hoc Intergovernmental Working Group of Experts aimed at improving the efficiency of peace-keeping operations.

16. Mr. MONGBE (Benin) said that the proposed reforms to the management structures of the Secretariat would make the system more transparent and effective and would provide for greater accountability and responsibility.

17. The recently established Office of Internal Oversight Services, if properly used, could be expected to perform a useful function in giving direction to the cumbersome administrative structures of the Organization. Similarly, the new management system, which was designed to increase the motivation of the staff of the United Nations, was likely to prove effective, as similar arrangements had done in the business world. However, his delegation had reservations as to the extent to which an intergovernmental organization such as the United Nations could be regarded as analogous to a private firm. An intergovernmental structure might be subject to all sorts of pressures that were unknown in the world of business. For that reason his delegation endorsed the views of other speakers who had drawn attention to the importance of setting up a system for evaluating results and of establishing a set of clear objectives to be met at all levels of the Secretariat. The proposals contained in the report of the Secretary-General (A/49/336) established a reasonable balance between decentralization and the delegation of authority, on the one hand, and the monitoring and oversight of resources, on the other.

18. His delegation fully supported the proposals of the Secretary-General concerning the restructuring at Headquarters and the relocation of certain functions both to and away from Headquarters, one of the main objectives of which was to rationalize the linkages between the various structures of the Organization in the economic, social and environmental fields and to strengthen unity of purpose. All the proposed changes should, however, take into account the five overall priorities established by the General Assembly, the most important of which, for his delegation, was Africa.

19. The Fifth Committee should recommend to the General Assembly measures which would strengthen the implementation of programmes concerned with development and peace in Africa, which, since the inception of the Organization almost 50 years before, had tended to be neglected. Some years before the General Assembly had launched the United Nations Programme of Action for African Economic Recovery

and Development but, because of lack of follow-up and adequate resources, it had produced little result. In 1991, the Assembly had adopted the United Nations New Agenda for the Development of Africa in the 1990s, which had again given hope to the people of that continent. The continuing problems of Africa obliged his delegation to emphasize once again that, like the environment, the maintenance of peace, drugs and human rights, Africa was a priority for the United Nations. Attention must be paid to the structures which must be set up in order to ensure implementation of the strategies adopted by the General Assembly for the United Nations New Agenda for the Development of Africa in the 1990s, the resources necessary for carrying out those strategies and follow-up in order to transform those policies into reality.

20. Early in the 1990s the Committee for Programme and Coordination had adopted a three-level structure corresponding to the three subprogrammes of Programme 45. Subprogramme 1 was designed to mobilize resources to implement the New Agenda and to ensure that the action by the international community produced positive results for the long-term development of the African economy. In the view of his delegation, the subprogramme should be located at Headquarters. It was a cause of concern to his delegation that, in spite of the restructuring of the Secretariat in the interest of rationalization and efficiency, the Office of the Special Coordinator for Africa, which had the leading role to play at Headquarters in giving effect to the priority concern for Africa, did not have adequate office space or staffing and financial resources. That situation must change if the General Assembly resolution was to be properly implemented.

21. Subprogramme 2 was located in Africa at the Economic Commission for Africa and was badly in need of additional resources. Subprogramme 3 was located in the Department of Public Information and was mainly concerned with the publication Africa Recovery. Its main task should be to publicize the action taken to give effect to the New Agenda. His delegation considered that the subprogramme should also publish information on positive achievements by Africans so as to counter the negative image of Africa projected by the international press. The Department of Public Information should ensure that Africa Recovery had a more balanced content and covered achievements in the fields of democratization, the respect for and promotion of human rights, economic progress, and so forth.

22. His delegation would judge the structural changes in the Secretariat in terms of the extent to which they had a positive impact on the handling of Africa's problems.

23. Ms. JARAMILLO (Mexico) said that her delegation attached great importance to the administrative efficiency of the United Nations and generally shared the opinions of the Committee for Programme and Coordination concerning documents A/C.5/49/1 and A/49/336.

24. Her delegation welcomed the proposed system of responsibility and accountability and expected that it would be further refined once the performance indicators called for by resolution 48/218 had been established. It

was, however, important to bear in mind that the introduction of such a system did not imply an expansion of the role of the Secretariat, which was to give effect to the decisions taken by the Member States.

25. Her delegation fully agreed with the Secretary-General that the accountability of programme managers must be coupled with the provision of the financial resources they needed to perform their tasks. Objectives should be defined more clearly and she welcomed the announcement of the forthcoming publication of an organization chart of the Secretariat showing the effect of the changes. It would be useful, in order to evaluate the improvements brought about by the changes, if a chart showing the structure of the Secretariat prior to the restructuring exercise could also be made available.

26. CPC had not made specific recommendations on the report contained in document A/49/336, largely because of differences of views between its members. However, the document was a good basis for discussion of the effects of the restructuring, although her delegation would have preferred a report that was more analytical than descriptive.

27. Although her delegation acknowledged that it was the Secretary-General's responsibility to decide on the structures needed to implement the programmes of the Organization, it wished to express concern at the suggestion in document A/49/336 that there was a lack of clarity in certain mandates, especially in the economic and social sectors. In other areas the opposite appeared to be the case. One example was the decision to transfer the Electoral Assistance Division to the Department of Peace-keeping Operations. In her delegation's view, electoral assistance could be given and received outside the framework of peace-keeping operations.

28. She noted and welcomed the efforts of the Secretary-General to strengthen the linkages between the economic and social sectors, on the one hand, and the political and humanitarian sectors, on the other, but pointed out that development activities could not all be reduced to peace-keeping operations.

29. Her delegation hoped that the Office of Internal Oversight Services, in line with the mandate assigned to it by the Member States, would shortly be concentrating on its procedures, especially with regard to the submission of reports. It agreed that adequate resources were needed for oversight functions. However, such resources must be made available without affecting the resources earmarked for the substantive activities and priorities of the Organization.

30. On the question of sanctions against individuals guilty of fraud, her delegation agreed with the views of the Ad Hoc Group of Experts that had been established to consider that matter, particularly with the recommendation that the Statute of the United Nations Administrative Tribunal should be amended to enable it to deal with cases of alleged financial misconduct and that the internal rules should be reviewed in order to ensure the detection and prevention of acts of fraud and the punishment of the staff members responsible for them. Her delegation had studied with interest the views of the Board of Auditors (A/49/471) on the possible improvement of external oversight functions

and the work of the Board, and agreed that the Board should have adequate resources to enable it to carry out its tasks. Her delegation noted that a similar concern had been expressed by the Joint Inspection Unit in its report (A/49/34), in particular in the section concerning measures to enhance the performance, productivity and impact of the Unit.

31. The Advisory Committee on Administrative and Budgetary Questions and the new Office of Internal Oversight Services, within the limits of their respective mandates, should become more involved in the follow-up of the recommendations which the external oversight mechanisms had made to the Secretariat, and should report thereon to the General Assembly.

32. Mr. SOOMRO (Pakistan) said that the increase in the responsibilities of the United Nations in recent years had not been matched by an increase in financial resources, which had led to a precarious financial situation. The demands placed on the Organization could be met only if there was a renewed commitment to provide additional resources.

33. The Secretary-General's report on the establishment of a transparent and effective system of accountability and responsibility was apposite. Greater transparency was needed in international competitive bidding and in recruitment, where equitable geographical representation must be guaranteed. The administrative structures of the Organization and its budgetary resource allocations must reflect the current priorities of trade and finance, strengthening democratic structures, and social and humanitarian issues.

34. The United Nations must decentralize functions in order to lessen the burden on the Secretariat and promote regional inputs while strengthening coordination. The review of the work methods and structures of the Organization must be in accordance with intergovernmental mandates and the objectives of the Charter. Every effort must be made to streamline management to ensure that the economic and social sectors were provided with the maximum budgetary allocations.

35. The fundamental role of the Organization in terms of preventive diplomacy, peacemaking and peace-keeping should be to promote security in a changing environment and to work for the well-being of all peoples. In that regard the promotion of human rights was important, and should be reflected in the budgetary allocations, as should the critical role of the Organization in relief, rehabilitation and reconstruction.

36. The United Nations would be as strong as Member States wanted it to be. Member States, which had high expectations of the United Nations, must ensure adequate funding and make their commitment to the Organization a national priority.

AGENDA ITEM 104: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (continued) (A/48/516 and Add.1, A/48/572, A/48/587; A/49/5 (vol. I-IV) and Add.1-9, A/49/214, A/49/348 and Add.1-2, A/49/368, A/49/547)

37. Mr. MUNCH (Germany), speaking on behalf of the European Union and Austria, said that the reports of the Board of Auditors had always been extremely useful in identifying weaknesses and other problems throughout the system as well as in indicating activities that were properly administered or where improvements had been achieved. The summary of principal findings and conclusions (A/49/214) was particularly welcome. Nevertheless, the late issuance of the relevant documentation was again cause for dissatisfaction.

38. The comments of the Board of Auditors provided valuable insight into the functioning of the Organization. It was clear that much remained to be done in terms of improving administration and management, and it was to be hoped that the work of the Office of Internal Oversight Services would simplify the Board's task in future. In particular, the Office should ensure proper follow-up to the Board's recommendations, an issue which had led to dissatisfaction in previous years. In that connection, he noted with concern that the Board had qualified its audit opinion on the financial statements of the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the United Nations International Drug Control Programme (UNDCP) and peace-keeping operations. In view of the heavy expenditure on peace-keeping he commended the issuance of a separate report by the Board. Indeed, as noted by ACABQ, it might be necessary to deal with some of the larger operations separately.

39. With regard to procurement, there was a need for improved management, more open competition, and more intelligent interaction with the market. The European Union and Austria agreed completely with the Board's view that the use of a relatively narrow range of suppliers and the limited extent of bidding made it unlikely that the best value for money was achieved. Financial rule 110.18, establishing international competitive bidding on high-volume contracts, must be strictly adhered to. The United Nations procurement system must be further developed to ensure impartiality, openness and competition. He commended the initiative to establish an expert working group to review procurement procedures for peace-keeping operations.

40. The European Union and Austria were deeply concerned that no complete physical inventory of property had been taken at Headquarters since 1987, which was a clear breach of the financial rules and regulations. In that connection, the Board of Auditors had repeatedly underlined the weakness of internal control procedures for safeguarding the Organization's assets. The Secretariat should provide an explanation together with an indication of what action it intended to take.

41. The delays in implementation and the increased cost of the Integrated Management Information System (IMIS) were worrisome, particularly since the

situation seemed to result from deficiencies in the organizational structure needed for following up on implementation of the system. In particular, no senior officer had been given appropriate authority to institute the changes in policies and procedures which the new system required to be successful and cost-effective. The European Union and Austria fully supported the Board's recommendations aimed at clarifying responsibility for implementing the project and defining detailed targets. IMIS should constitute a test case on the development of a new system of accountability and responsibility within the Organization.

42. It was deplorable that the same deficiencies occurred year after year, in particular in the two paramount areas of procurement and inventory. That situation must not be allowed to continue. The issue was not to devise additional rules, but to make sure that the existing rules and regulations were fully complied with. In particular, clear lines of responsibility and delegation of authority must be defined, and internal control and reporting mechanisms must be significantly strengthened, an area in which the Office of Internal Oversight Services would have a major role to play. In addition, staff members must take responsibility for their actions and the resources entrusted to them, which raised the question of the measures to be taken against those responsible for violations of the Financial Rules and Regulations that resulted in financial losses. Appropriate action, including disciplinary measures, must be taken in such cases. In that connection, he fully supported the conclusions of the Ad Hoc Intergovernmental Working Group of Experts.

43. Lastly, he drew attention to the inadequate performance, monitoring and evaluation of UNDP projects. It was not tolerable for an institution of that magnitude not to have developed a strategy for the proper use of information technology. In addition, the Programme suffered from a poorly focused objectives and output measurement. UNDP should tackle those issues in the near future, and provide an explanation for its low project delivery rate. The European Union and Austria were also concerned by the Board's comments on the technical assistance activities that were the responsibility of the Secretariat itself, where the level of delivery was also disappointing.

ORGANIZATION OF WORK

44. The CHAIRMAN drew attention to the programme of work for the week 7-11 November 1994, and noted that, owing to the late issuance of the relevant documentation, item 114 "United Nations common system" would be deferred to 14 November, and item 115 "United Nations pension system" would be introduced on 11 November and resumed on 14 November.

45. Mr. BOIN (France) said that both items should be deferred to the week of 14 November. It was deplorable that the Fifth Committee once again was unable to proceed with its work because the relevant documentation was not available in all the official languages. The report of the International Civil Service Commission had been finalized at the end of September, and he failed to see why

so much time was necessary for it to be translated and issued in all languages. There was clearly a need for increased transparency in the relations between the Bureau, the Committee, and the Secretariat. Nevertheless, in a spirit of flexibility, his delegation would accept the Chairman's suggestions.

The meeting rose at 11.50 a.m.